

Securities and Exchange Commission

§ 200.507

classified information with the provisions of Executive Order 12065, and encourage Commission personnel to challenge those classification decisions they believe to be improper.

(b) Establish controls to insure that classified information is used, processed, stored, reproduced, and transitted only under conditions that will provide adequate protection and prevent access by unauthorized persons.

(c) Establish procedures which require that a demonstrable need, under section 4-1 of Executive Order 12065, for access to classified information be established before administrative clearance procedures are initiated, as well as other appropriate procedures to prevent unnecessary access to classified information.

(d) Act on all suggestions and complaints concerning Commission administration of its information security program.

(e) Establish procedures within the Commission to insure the orderly and effective referral of requests for declassification of documents in the Commission's possession.

(f) Review on an annual basis all practices for safeguarding information and to eliminate those practices which are duplicative or unnecessary.

(g) Recommend to the Chairman of the Commission appropriate administrative action to correct abuse or violation of any provision of Executive Order 12356.

(h) Consider and decide other questions concerning classification and declassification that may be brought before it.

(i) Develop special contingency plans for the protection of classified information used in or near hostile or potentially hostile areas.

(j) Promptly notify the Director of the Information Security Oversight Office whenever an officer or employee of the United States Government or its contractors, licensees or grantees knowingly, willfully or negligently (1) discloses to unauthorized persons information properly classified under Executive Order 12356 or predecessor orders or (2) classifies or continues the classification of information in violation of

Executive Order 12356 or predecessor orders.

[44 FR 65737, Nov. 15, 1979, as amended at 47 FR 47236, Oct. 25, 1982; 51 FR 5315, Feb. 13, 1986]

§ 200.505 Original classification.

(a) No Commission Member or employee has the authority to classify any information on an original basis.

(b) If a Commission employee originates information that appears to require classification, the employee shall immediately notify the Secretary and protect the information accordingly.

(c) If the Executive Director believes the information warrants classification, it shall be sent to an agency with original classification authority over the subject matter, or to the Information Security Oversight Office, for determination.

[44 FR 65737, Nov. 15, 1979, as amended at 51 FR 5315, Feb. 13, 1986]

§ 200.506 Derivative classification.

Any document that includes phrases, restatements, or summaries of, or incorporates in new form, information that is already classified shall be assigned the same level of classification as the source; if, however, the basic information appears to have been so changed that no classification, or a lower classification than originally assigned, should be used, the appropriate official of the originating agency or office of origin who has the authority to upgrade, downgrade or declassify the information must be consulted prior to assigning a different classification to the information.

[47 FR 47236, Oct. 25, 1982]

§ 200.507 Declassification dates on derivative documents.

(a) A document that derives its classification from information classified under Executive Order 12356 of predecessor orders shall be marked with the date or event assigned to that source information for its automatic declassification or for review of its continued need for classification.

(b) A derivative document that derives its classification from the approved use of the classification guide of